

BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU
630 SOUTH BERETANIA STREET
HONOLULU, HI 96843



March 21, 2012

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Manager and Chief Engineer

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The Honorable Ernest Y. Martin, Chair
Honolulu City Council
Honolulu Hale
530 South King Street, Room 202
Honolulu, Hawaii 96813

Dear Chair Martin and Members of the Honolulu City Council:

Subject: Board of Water Supply Opposition to Bill No. 9

The Board of Water Supply (BWS) respectfully opposes proposed Bill No. 9 relating to agreements between the City and County of Honolulu and the Honolulu Authority for Rapid Transportation or the Honolulu Board of Water Supply in its current form.

We understand that the bill proposes to require City Council approval of agreements between the City and County of Honolulu and the Board of Water Supply to improve oversight over agreements that create and obligation on the City government.

However, the definitions of "Agreement" and "Obligation" are very broadly defined and will create confusion as we attempt to determine what will or will not require Council review and approval.

For example, the bill defines "Agreement" as "any instrument in the nature of a contract, compact, memorandum of understanding or agreement ... where the city incurs an obligation." Is this limited to formal written contracts, compacts, MOUs, or agreements, or are oral agreements covered also? The bill also defines "Obligation" very broadly as "any commitment, promise or similar representation contained in an agreement that the city will provide funds, documents, statistical data, or any professional or technical services to BWS..., incur city debt or expend city funds for BWS." Does this include personnel requests, requests for legal opinions, sharing of GIS information data between us, or a myriad range of other interactions between the City and the BWS that go on in the course of the daily operations of government?

We suggest that the definitions be clarified. One idea could be to limit the application of this bill to where the "obligation" involves cost impacts to the City of over \$5 million as a start place.

Therefore, in its current form, respectfully, we cannot support this bill.

Thank you for the opportunity to provide testimony on this matter.

Very truly yours,

ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer

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